

October 24, 2013

Local Government Committee
Michigan House of Representatives

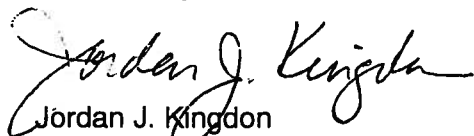
Chairwoman Price and Members of the Committee:

On behalf of Michigan's 295 state and federally chartered credit unions and the 4.4 million members they serve, I urge your support of House Bill's 4638-4640. This package of bills introduced by Representatives Peter Pettalia and Marilyn Lane would allow a copy of an original mortgage instrument that is verified by an affidavit and recorded to be deemed as complying with all recording requirements of this state.

In 2009, a U.S. Bankruptcy Court Judge decided in *Neal v. Public Service Credit Union* that a copy of an original instrument along with a verified affidavit does not satisfy the necessary requirements for recording a real estate conveyance because it does not contain the original signatures as required by statute. Prior to this, it was common practice to record an affidavit of a lost document together with a copy of the document, given that on occasion, documents that had to be recorded with the register of deeds were lost before the recording took place. These documents include the property deed and mortgage, if applicable, and they can be lost by the title company, lost in the mail, or lost by the office of the register of deeds itself. Regardless of the reason, protecting a property's buyer and lender as well as the chain of title requires action to place information regarding these misplaced documents into the public records.

This legislation helps protect Michigan lenders in the case of lost documents by allowing the creation, verification and recording of copies of the mortgage and property deeds in record. Since verified mortgage document copies would be recorded within the meaning of the Michigan recording statutes under this legislation, the lender position as a secured creditor is protected. We thank Representatives Peter Pettalia and Marilyn Lane for introducing this legislation and I ask for your support of House Bills 4638-4640.

Respectfully,



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